

110TH CONGRESS } 1st Session	HOUSE OF REPRESENTATIVES } SENATE	REPORT 110—
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CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL
YEAR 2008

—Ordered to be printed

Mr. Conrad, from the committee of conference,
submitted the following

CONFERENCE REPORT

[To accompany S. Con. Res. 21]

The committee of conference on the disagreeing votes of the two Houses on the amendment of the House to the concurrent resolution (S. Con. Res. 21), revising the congressional budget for the United States Government for fiscal year 2007, establishing the congressional budget for the United States Government for fiscal year 2008, and setting forth appropriate budgetary levels for fiscal years 2009 through 2012, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its disagreement to the amendment of the House and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the House amendment, insert the following:

SECTION 1. CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEAR 2008.

(a) *DECLARATION.*—Congress declares that this resolution is the concurrent resolution on the budget for fiscal year 2008 and that this resolution sets forth the appropriate budgetary levels for fiscal years 2007 and 2009 through 2012.

(b) *TABLE OF CONTENTS.*—The table of contents for this concurrent resolution is as follows:

Sec. 1. Concurrent resolution on the budget for fiscal year 2008.

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

Sec. 101. Recommended levels and amounts.

Sec. 102. Social Security.

Sec. 103. Major functional categories.

TITLE II—BUDGET PROCESS

- Sec. 201. *Pay-as-you-go point of order in the Senate.*
- Sec. 202. *Senate point of order against reconciliation legislation that would increase the deficit or reduce a surplus.*
- Sec. 203. *Senate point of order against legislation increasing long-term deficits.*
- Sec. 204. *Emergency legislation.*
- Sec. 205. *Extension of enforcement of budgetary points of order in the Senate.*
- Sec. 206. *Point of order against advance appropriations.*
- Sec. 207. *Discretionary spending limits, program integrity initiatives, and other adjustments.*
- Sec. 208. *Application of previous allocations in the Senate.*
- Sec. 209. *Senate point of order against provisions of appropriations legislation that constitute changes in mandatory programs with net costs.*
- Sec. 210. *Compliance with section 13301 of the Budget Enforcement Act of 1990.*
- Sec. 211. *Application and effect of changes in allocations and aggregates.*
- Sec. 212. *Adjustments to reflect changes in concepts and definitions.*
- Sec. 213. *Exercise of rulemaking powers.*

TITLE III—RESERVE FUNDS

- Sec. 301. *Deficit-neutral reserve fund for SCHIP legislation.*
- Sec. 302. *Deficit-neutral reserve fund for veterans and wounded servicemembers.*
- Sec. 303. *Deficit-neutral reserve fund for tax relief.*
- Sec. 304. *Deficit-neutral reserve fund for Medicare improvements.*
- Sec. 305. *Deficit neutral reserve funds for health care quality, effectiveness, efficiency, and transparency.*
- Sec. 306. *Deficit-neutral reserve fund for higher education.*
- Sec. 307. *Deficit-neutral reserve fund for the Farm Bill.*
- Sec. 308. *Deficit-neutral reserve fund for energy legislation.*
- Sec. 309. *Deficit-neutral reserve fund for county payments legislation.*
- Sec. 310. *Deficit-neutral reserve fund for terrorism risk insurance reauthorization.*
- Sec. 311. *Deficit-neutral reserve fund for affordable housing.*
- Sec. 312. *Deficit-neutral reserve fund for receipts from Bonneville Power Administration.*
- Sec. 313. *Deficit-neutral reserve fund for Indian claims settlement.*
- Sec. 314. *Deficit-neutral reserve fund for improvements in health.*
- Sec. 315. *Deficit-neutral reserve fund for child care.*
- Sec. 316. *Deficit-neutral reserve fund for immigration reform in the Senate.*
- Sec. 317. *Deficit-reduction reserve fund.*
- Sec. 318. *Deficit-neutral reserve fund for manufacturing initiatives in the Senate.*
- Sec. 319. *Deficit-neutral reserve fund for the Food and Drug Administration in the Senate.*
- Sec. 320. *Deficit-neutral reserve fund for Medicaid.*
- Sec. 321. *Reserve fund adjustment for revenue measures in the House.*
- Sec. 322. *Deficit-neutral reserve fund for San Joaquin River restoration and Navajo Nation water rights settlements.*
- Sec. 323. *Deficit-neutral reserve fund for selected tax relief policies in the Senate.*

TITLE IV—POLICY

- Sec. 401. *Policy on middle-income tax relief.*
- Sec. 402. *Policy on defense priorities.*
- Sec. 403. *Policy on college affordability.*

TITLE V—SENSE OF THE HOUSE AND SENSE OF CONGRESS

- Sec. 501. *Sense of Congress on servicemembers' and veterans' health care and other priorities.*
- Sec. 502. *Sense of Congress on the Innovation Agenda: A commitment to competitiveness to keep America #1.*
- Sec. 503. *Sense of Congress on homeland security.*
- Sec. 504. *Sense of Congress regarding the ongoing need to respond to Hurricanes Katrina and Rita.*
- Sec. 505. *Sense of Congress regarding long-term sustainability of entitlements.*
- Sec. 506. *Sense of Congress regarding the need to maintain and build upon efforts to fight hunger.*
- Sec. 507. *Sense of Congress regarding affordable health coverage.*
- Sec. 508. *Sense of Congress regarding extension of the statutory pay-as-you-go rule.*
- Sec. 509. *Sense of Congress on long-term budgeting.*
- Sec. 510. *Sense of Congress regarding pay parity.*
- Sec. 511. *Sense of Congress regarding waste, fraud, and abuse.*

- Sec. 512. *Sense of Congress regarding the importance of child support enforcement.*
 Sec. 513. *Sense of the House on State veterans cemeteries.*
 Sec. 514. *Sense of Congress on the State Criminal Alien Assistance Program.*

TITLE VI—RECONCILIATION

- Sec. 601. *Reconciliation in the House.*
 Sec. 602. *Deficit reduction reconciliation instruction in the Senate.*

TITLE I—RECOMMENDED LEVELS AND AMOUNTS

SEC. 101. RECOMMENDED LEVELS AND AMOUNTS.

The following budgetary levels are appropriate for each of fiscal years 2007 through 2012:

(1) **FEDERAL REVENUES.**—*For purposes of the enforcement of this resolution:*

(A) *The recommended levels of Federal revenues are as follows:*

Fiscal year 2007: \$1,900,340,000,000.
Fiscal year 2008: \$2,015,858,000,000.
Fiscal year 2009: \$2,113,828,000,000.
Fiscal year 2010: \$2,169,484,000,000.
Fiscal year 2011: \$2,350,254,000,000.
Fiscal year 2012: \$2,488,301,000,000.

(B) *The amounts by which the aggregate levels of Federal revenues should be changed are as follows:*

Fiscal year 2007: –\$4,366,000,000.
Fiscal year 2008: –\$34,938,000,000.
Fiscal year 2009: \$6,902,000,000.
Fiscal year 2010: \$5,763,000,000.
Fiscal year 2011: –\$44,296,000,000.
Fiscal year 2012: –\$108,795,000,000.

(2) **NEW BUDGET AUTHORITY.**—*For purposes of the enforcement of this resolution, the appropriate levels of total new budget authority are as follows:*

Fiscal year 2007: \$2,380,535,000,000.
Fiscal year 2008: \$2,496,028,000,000.
Fiscal year 2009: \$2,517,132,000,000.
Fiscal year 2010: \$2,569,696,000,000.
Fiscal year 2011: \$2,684,889,000,000.
Fiscal year 2012: \$2,719,268,000,000.

(3) **BUDGET OUTLAYS.**—*For purposes of the enforcement of this resolution, the appropriate levels of total budget outlays are as follows:*

Fiscal year 2007: \$2,300,572,000,000.
Fiscal year 2008: \$2,469,636,000,000.
Fiscal year 2009: \$2,566,481,000,000.
Fiscal year 2010: \$2,600,036,000,000.
Fiscal year 2011: \$2,692,104,000,000.
Fiscal year 2012: \$2,703,556,000,000.

(4) **DEFICITS.**—*For purposes of the enforcement of this resolution, the amounts of the deficits are as follows:*

Fiscal year 2007: \$400,232,000,000.
Fiscal year 2008: \$453,778,000,000.
Fiscal year 2009: \$452,653,000,000.

Fiscal year 2010: \$430,552,000,000.

Fiscal year 2011: \$341,850,000,000.

Fiscal year 2012: \$215,255,000,000.

(5) *DEBT SUBJECT TO LIMIT.*—Pursuant to section 301(a)(5) of the Congressional Budget Act of 1974, the appropriate levels of the public debt are as follows:

Fiscal year 2007: \$8,932,264,000,000.

Fiscal year 2008: \$9,504,150,000,000.

Fiscal year 2009: \$10,073,725,000,000.

Fiscal year 2010: \$10,622,023,000,000.

Fiscal year 2011: \$11,077,407,000,000.

Fiscal year 2012: \$11,419,028,000,000.

(6) *DEBT HELD BY THE PUBLIC.*—The appropriate levels of debt held by the public are as follows:

Fiscal year 2007: \$5,047,318,000,000.

Fiscal year 2008: \$5,312,560,000,000.

Fiscal year 2009: \$5,561,383,000,000.

Fiscal year 2010: \$5,774,487,000,000.

Fiscal year 2011: \$5,881,776,000,000.

Fiscal year 2012: \$5,850,852,000,000.

SEC. 102. SOCIAL SECURITY.

(a) *SOCIAL SECURITY REVENUES.*—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of revenues of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 2007: \$637,586,000,000.

Fiscal year 2008: \$668,998,000,000.

Fiscal year 2009: \$702,851,000,000.

Fiscal year 2010: \$737,589,000,000.

Fiscal year 2011: \$772,605,000,000.

Fiscal year 2012: \$807,928,000,000.

(b) *SOCIAL SECURITY OUTLAYS.*—For purposes of Senate enforcement under sections 302 and 311 of the Congressional Budget Act of 1974, the amounts of outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund are as follows:

Fiscal year 2007: \$441,676,000,000.

Fiscal year 2008: \$460,224,000,000.

Fiscal year 2009: \$478,578,000,000.

Fiscal year 2010: \$499,655,000,000.

Fiscal year 2011: \$520,743,000,000.

Fiscal year 2012: \$546,082,000,000.

(c) *SOCIAL SECURITY ADMINISTRATIVE EXPENSES.*—In the Senate, the amounts of new budget authority and budget outlays of the Federal Old-Age and Survivors Insurance Trust Fund and the Federal Disability Insurance Trust Fund for administrative expenses are as follows:

Fiscal year 2007:

(A) *New budget authority, \$4,692,000,000.*

(B) *Outlays, \$4,727,000,000.*

Fiscal year 2008:

(A) *New budget authority, \$4,850,000,000.*

(B) *Outlays, \$4,859,000,000.*

*Fiscal year 2009:**(A) New budget authority, \$4,996,000,000.**(B) Outlays, \$4,970,000,000.**Fiscal year 2010:**(A) New budget authority, \$5,147,000,000.**(B) Outlays, \$5,121,000,000.**Fiscal year 2011:**(A) New budget authority, \$5,306,000,000.**(B) Outlays, \$5,278,000,000.**Fiscal year 2012:**(A) New budget authority, \$5,467,000,000.**(B) Outlays, \$5,439,000,000.***SEC. 103. MAJOR FUNCTIONAL CATEGORIES.**

Congress determines and declares that the appropriate levels of new budget authority and outlays for fiscal years 2007 through 2012 for each major functional category are:

*(1) National Defense (050):**Fiscal year 2007:**(A) New budget authority, \$525,797,000,000.**(B) Outlays, \$534,270,000,000.**Fiscal year 2008:**(A) New budget authority, \$506,955,000,000.**(B) Outlays, \$514,401,000,000.**Fiscal year 2009:**(A) New budget authority, \$534,705,000,000.**(B) Outlays, \$524,384,000,000.**Fiscal year 2010:**(A) New budget authority, \$545,171,000,000.**(B) Outlays, \$536,433,000,000.**Fiscal year 2011:**(A) New budget authority, \$550,944,000,000.**(B) Outlays, \$547,624,000,000.**Fiscal year 2012:**(A) New budget authority, \$559,799,000,000.**(B) Outlays, \$548,169,000,000.**(2) International Affairs (150):**Fiscal year 2007:**(A) New budget authority, \$28,795,000,000.**(B) Outlays, \$31,308,000,000.**Fiscal year 2008:**(A) New budget authority, \$34,678,000,000.**(B) Outlays, \$33,070,000,000.**Fiscal year 2009:**(A) New budget authority, \$35,602,000,000.**(B) Outlays, \$32,664,000,000.**Fiscal year 2010:**(A) New budget authority, \$35,980,000,000.**(B) Outlays, \$33,070,000,000.**Fiscal year 2011:**(A) New budget authority, \$36,630,000,000.**(B) Outlays, \$33,528,000,000.**Fiscal year 2012:**(A) New budget authority, \$37,257,000,000.**(B) Outlays, \$34,150,000,000.**(3) General Science, Space, and Technology (250):*

*Fiscal year 2007:**(A) New budget authority, \$25,079,000,000.**(B) Outlays, \$24,516,000,000.**Fiscal year 2008:**(A) New budget authority, \$27,615,000,000.**(B) Outlays, \$26,472,000,000.**Fiscal year 2009:**(A) New budget authority, \$28,641,000,000.**(B) Outlays, \$28,411,000,000.**Fiscal year 2010:**(A) New budget authority, \$29,844,000,000.**(B) Outlays, \$29,485,000,000.**Fiscal year 2011:**(A) New budget authority, \$31,103,000,000.**(B) Outlays, \$30,089,000,000.**Fiscal year 2012:**(A) New budget authority, \$32,438,000,000.**(B) Outlays, \$31,367,000,000.**(4) Energy (270):**Fiscal year 2007:**(A) New budget authority, \$2,943,000,000.**(B) Outlays, \$1,369,000,000.**Fiscal year 2008:**(A) New budget authority, \$3,408,000,000.**(B) Outlays, \$1,162,000,000.**Fiscal year 2009:**(A) New budget authority, \$3,209,000,000.**(B) Outlays, \$1,590,000,000.**Fiscal year 2010:**(A) New budget authority, \$3,275,000,000.**(B) Outlays, \$1,782,000,000.**Fiscal year 2011:**(A) New budget authority, \$3,346,000,000.**(B) Outlays, \$1,829,000,000.**Fiscal year 2012:**(A) New budget authority, \$3,404,000,000.**(B) Outlays, \$2,111,000,000.**(5) Natural Resources and Environment (300):**Fiscal year 2007:**(A) New budget authority, \$31,332,000,000.**(B) Outlays, \$32,919,000,000.**Fiscal year 2008:**(A) New budget authority, \$33,384,000,000.**(B) Outlays, \$35,219,000,000.**Fiscal year 2009:**(A) New budget authority, \$33,910,000,000.**(B) Outlays, \$35,704,000,000.**Fiscal year 2010:**(A) New budget authority, \$34,660,000,000.**(B) Outlays, \$35,834,000,000.**Fiscal year 2011:**(A) New budget authority, \$35,113,000,000.**(B) Outlays, \$36,035,000,000.**Fiscal year 2012:**(A) New budget authority, \$36,094,000,000.*

- (B) Outlays, \$36,507,000,000.
- (6) *Agriculture (350):*
- Fiscal year 2007:*
- (A) New budget authority, \$21,471,000,000.
- (B) Outlays, \$19,738,000,000.
- Fiscal year 2008:*
- (A) New budget authority, \$20,481,000,000.
- (B) Outlays, \$19,603,000,000.
- Fiscal year 2009:*
- (A) New budget authority, \$21,033,000,000.
- (B) Outlays, \$20,146,000,000.
- Fiscal year 2010:*
- (A) New budget authority, \$21,238,000,000.
- (B) Outlays, \$20,207,000,000.
- Fiscal year 2011:*
- (A) New budget authority, \$21,256,000,000.
- (B) Outlays, \$20,534,000,000.
- Fiscal year 2012:*
- (A) New budget authority, \$21,502,000,000.
- (B) Outlays, \$20,963,000,000.
- (7) *Commerce and Housing Credit (370):*
- Fiscal year 2007:*
- (A) New budget authority, \$5,515,000,000.
- (B) Outlays, -\$3,522,000,000.
- Fiscal year 2008:*
- (A) New budget authority, \$9,279,000,000.
- (B) Outlays, \$2,034,000,000.
- Fiscal year 2009:*
- (A) New budget authority, \$9,973,000,000.
- (B) Outlays, \$1,048,000,000.
- Fiscal year 2010:*
- (A) New budget authority, \$13,775,000,000.
- (B) Outlays, \$3,431,000,000.
- Fiscal year 2011:*
- (A) New budget authority, \$8,822,000,000.
- (B) Outlays, \$2,439,000,000.
- Fiscal year 2012:*
- (A) New budget authority, \$8,822,000,000.
- (B) Outlays, \$756,000,000.
- (8) *Transportation (400):*
- Fiscal year 2007:*
- (A) New budget authority, \$81,282,000,000.
- (B) Outlays, \$74,739,000,000.
- Fiscal year 2008:*
- (A) New budget authority, \$82,799,000,000.
- (B) Outlays, \$81,093,000,000.
- Fiscal year 2009:*
- (A) New budget authority, \$76,306,000,000.
- (B) Outlays, \$84,025,000,000.
- Fiscal year 2010:*
- (A) New budget authority, \$77,061,000,000.
- (B) Outlays, \$85,959,000,000.
- Fiscal year 2011:*
- (A) New budget authority, \$78,089,000,000.
- (B) Outlays, \$86,672,000,000.

*Fiscal year 2012:**(A) New budget authority, \$78,969,000,000.**(B) Outlays, \$88,352,000,000.**(9) Community and Regional Development (450):**Fiscal year 2007:**(A) New budget authority, \$15,717,000,000.**(B) Outlays, \$28,281,000,000.**Fiscal year 2008:**(A) New budget authority, \$15,814,000,000.**(B) Outlays, \$22,292,000,000.**Fiscal year 2009:**(A) New budget authority, \$14,725,000,000.**(B) Outlays, \$21,008,000,000.**Fiscal year 2010:**(A) New budget authority, \$14,942,000,000.**(B) Outlays, \$19,892,000,000.**Fiscal year 2011:**(A) New budget authority, \$15,157,000,000.**(B) Outlays, \$18,440,000,000.**Fiscal year 2012:**(A) New budget authority, \$15,371,000,000.**(B) Outlays, \$15,938,000,000.**(10) Education, Training, Employment, and Social Services (500):**Fiscal year 2007:**(A) New budget authority, \$92,780,000,000.**(B) Outlays, \$92,224,000,000.**Fiscal year 2008:**(A) New budget authority, \$93,880,000,000.**(B) Outlays, \$91,022,000,000.**Fiscal year 2009:**(A) New budget authority, \$97,809,000,000.**(B) Outlays, \$94,513,000,000.**Fiscal year 2010:**(A) New budget authority, \$99,726,000,000.**(B) Outlays, \$97,075,000,000.**Fiscal year 2011:**(A) New budget authority, \$100,151,000,000.**(B) Outlays, \$98,745,000,000.**Fiscal year 2012:**(A) New budget authority, \$100,748,000,000.**(B) Outlays, \$98,728,000,000.**(11) Health (550):**Fiscal year 2007:**(A) New budget authority, \$267,892,000,000.**(B) Outlays, \$268,197,000,000.**Fiscal year 2008:**(A) New budget authority, \$287,486,000,000.**(B) Outlays, \$286,442,000,000.**Fiscal year 2009:**(A) New budget authority, \$308,326,000,000.**(B) Outlays, \$306,410,000,000.**Fiscal year 2010:**(A) New budget authority, \$326,118,000,000.**(B) Outlays, \$326,100,000,000.*

*Fiscal year 2011:**(A) New budget authority, \$347,561,000,000.**(B) Outlays, \$346,748,000,000.**Fiscal year 2012:**(A) New budget authority, \$370,422,000,000.**(B) Outlays, \$369,653,000,000.**(12) Medicare (570):**Fiscal year 2007:**(A) New budget authority, \$365,152,000,000.**(B) Outlays, \$370,180,000,000.**Fiscal year 2008:**(A) New budget authority, \$389,587,000,000.**(B) Outlays, \$389,703,000,000.**Fiscal year 2009:**(A) New budget authority, \$416,710,000,000.**(B) Outlays, \$416,367,000,000.**Fiscal year 2010:**(A) New budget authority, \$442,347,000,000.**(B) Outlays, \$442,569,000,000.**Fiscal year 2011:**(A) New budget authority, \$489,077,000,000.**(B) Outlays, \$489,087,000,000.**Fiscal year 2012:**(A) New budget authority, \$486,804,000,000.**(B) Outlays, \$486,417,000,000.**(13) Income Security (600):**Fiscal year 2007:**(A) New budget authority, \$360,365,000,000.**(B) Outlays, \$364,204,000,000.**Fiscal year 2008:**(A) New budget authority, \$380,763,000,000.**(B) Outlays, \$384,301,000,000.**Fiscal year 2009:**(A) New budget authority, \$391,707,000,000.**(B) Outlays, \$393,962,000,000.**Fiscal year 2010:**(A) New budget authority, \$401,747,000,000.**(B) Outlays, \$402,784,000,000.**Fiscal year 2011:**(A) New budget authority, \$417,020,000,000.**(B) Outlays, \$417,013,000,000.**Fiscal year 2012:**(A) New budget authority, \$402,674,000,000.**(B) Outlays, \$402,008,000,000.**(14) Social Security (650):**Fiscal year 2007:**(A) New budget authority, \$19,089,000,000.**(B) Outlays, \$19,089,000,000.**Fiscal year 2008:**(A) New budget authority, \$19,644,000,000.**(B) Outlays, \$19,644,000,000.**Fiscal year 2009:**(A) New budget authority, \$21,518,000,000.**(B) Outlays, \$21,518,000,000.**Fiscal year 2010:*

- (A) *New budget authority*, \$23,701,000,000.
- (B) *Outlays*, \$23,701,000,000.
- Fiscal year 2011:*
 - (A) *New budget authority*, \$27,009,000,000.
 - (B) *Outlays*, \$27,009,000,000.
- Fiscal year 2012:*
 - (A) *New budget authority*, \$29,898,000,000.
 - (B) *Outlays*, \$29,898,000,000.
- (15) *Veterans Benefits and Services (700):*
 - Fiscal year 2007:*
 - (A) *New budget authority*, \$73,896,000,000.
 - (B) *Outlays*, \$72,342,000,000.
 - Fiscal year 2008:*
 - (A) *New budget authority*, \$85,262,000,000.
 - (B) *Outlays*, \$84,421,000,000.
 - Fiscal year 2009:*
 - (A) *New budget authority*, \$87,787,000,000.
 - (B) *Outlays*, \$88,290,000,000.
 - Fiscal year 2010:*
 - (A) *New budget authority*, \$90,414,000,000.
 - (B) *Outlays*, \$89,981,000,000.
 - Fiscal year 2011:*
 - (A) *New budget authority*, \$96,033,000,000.
 - (B) *Outlays*, \$95,543,000,000.
 - Fiscal year 2012:*
 - (A) *New budget authority*, \$93,325,000,000.
 - (B) *Outlays*, \$92,666,000,000.
- (16) *Administration of Justice (750):*
 - Fiscal year 2007:*
 - (A) *New budget authority*, \$45,504,000,000.
 - (B) *Outlays*, \$44,659,000,000.
 - Fiscal year 2008:*
 - (A) *New budget authority*, \$47,998,000,000.
 - (B) *Outlays*, \$47,131,000,000.
 - Fiscal year 2009:*
 - (A) *New budget authority*, \$48,315,000,000.
 - (B) *Outlays*, \$49,120,000,000.
 - Fiscal year 2010:*
 - (A) *New budget authority*, \$49,220,000,000.
 - (B) *Outlays*, \$49,449,000,000.
 - Fiscal year 2011:*
 - (A) *New budget authority*, \$50,146,000,000.
 - (B) *Outlays*, \$49,969,000,000.
 - Fiscal year 2012:*
 - (A) *New budget authority*, \$51,079,000,000.
 - (B) *Outlays*, \$50,759,000,000.
- (17) *General Government (800):*
 - Fiscal year 2007:*
 - (A) *New budget authority*, \$18,193,000,000.
 - (B) *Outlays*, \$18,574,000,000.
 - Fiscal year 2008:*
 - (A) *New budget authority*, \$18,628,000,000.
 - (B) *Outlays*, \$19,012,000,000.
 - Fiscal year 2009:*
 - (A) *New budget authority*, \$19,254,000,000.

- (B) Outlays, \$19,323,000,000.
Fiscal year 2010:
 (A) New budget authority, \$19,876,000,000.
 (B) Outlays, \$19,755,000,000.
Fiscal year 2011:
 (A) New budget authority, \$20,637,000,000.
 (B) Outlays, \$20,360,000,000.
Fiscal year 2012:
 (A) New budget authority, \$21,349,000,000.
 (B) Outlays, \$21,183,000,000.
- (18) *Net Interest (900):*
Fiscal year 2007:
 (A) New budget authority, \$344,509,000,000.
 (B) Outlays, \$344,509,000,000.
Fiscal year 2008:
 (A) New budget authority, \$370,578,000,000.
 (B) Outlays, \$370,578,000,000.
Fiscal year 2009:
 (A) New budget authority, \$391,056,000,000.
 (B) Outlays, \$391,056,000,000.
Fiscal year 2010:
 (A) New budget authority, \$414,724,000,000.
 (B) Outlays, \$414,724,000,000.
Fiscal year 2011:
 (A) New budget authority, \$433,665,000,000.
 (B) Outlays, \$433,665,000,000.
Fiscal year 2012:
 (A) New budget authority, \$448,597,000,000.
 (B) Outlays, \$448,597,000,000.
- (19) *Allowances (920):*
Fiscal year 2007:
 (A) New budget authority, \$785,000,000.
 (B) Outlays, \$755,000,000.
Fiscal year 2008:
 (A) New budget authority, -\$6,394,000,000.
 (B) Outlays, -\$2,164,000,000.
Fiscal year 2009:
 (A) New budget authority, -\$6,894,000,000.
 (B) Outlays, -\$6,319,000,000.
Fiscal year 2010:
 (A) New budget authority, -\$7,190,000,000.
 (B) Outlays, -\$6,984,000,000.
Fiscal year 2011:
 (A) New budget authority, -\$7,295,000,000.
 (B) Outlays, -\$7,181,000,000.
Fiscal year 2012:
 (A) New budget authority, -\$7,427,000,000.
 (B) Outlays, -\$7,311,000,000.
- (20) *Undistributed Offsetting Receipts (950):*
Fiscal year 2007:
 (A) New budget authority,
 -\$69,714,000,000.
 (B) Outlays, -\$69,714,000,000.
Fiscal year 2008:

(A) New budget authority,
 –\$70,979,000,000.
 (B) Outlays, –\$70,979,000,000.
Fiscal year 2009:
 (A) New budget authority,
 –\$66,560,000,000.
 (B) Outlays, –\$66,569,000,000.
Fiscal year 2010:
 (A) New budget authority,
 –\$66,933,000,000.
 (B) Outlays, –\$66,933,000,000.
Fiscal year 2011:
 (A) New budget authority,
 –\$69,575,000,000.
 (B) Outlays, –\$69,595,000,000.
Fiscal year 2012:
 (A) New budget authority,
 –\$71,857,000,000.
 (B) Outlays, –\$71,860,000,000.
 (21) *Overseas Deployments and Other Activities (970):*
Fiscal year 2007:
 (A) New budget authority, \$124,153,000,000.
 (B) Outlays, \$31,935,000,000.
Fiscal year 2008:
 (A) New budget authority, \$145,162,000,000.
 (B) Outlays, \$115,179,000,000.
Fiscal year 2009:
 (A) New budget authority, \$50,000,000,000.
 (B) Outlays, \$109,830,000,000.
Fiscal year 2010:
 (A) New budget authority, \$0.
 (B) Outlays, \$41,722,000,000.
Fiscal year 2011:
 (A) New budget authority, \$0.
 (B) Outlays, \$13,551,000,000.
Fiscal year 2012:
 (A) New budget authority, \$0.
 (B) Outlays, \$4,505,000,000.

TITLE II—BUDGET PROCESS

SEC. 201. PAY-AS-YOU-GO POINT OF ORDER IN THE SENATE.

(a) POINT OF ORDER.—

(1) *IN GENERAL.*—It shall not be in order in the Senate to consider any direct spending or revenue legislation that would increase the on-budget deficit or cause an on-budget deficit for either of the applicable time periods as measured in paragraphs (5) and (6).

(2) *APPLICABLE TIME PERIODS.*—For purposes of this subsection, the term “applicable time period” means either—

(A) the period of the current fiscal year, the budget year, and the ensuing 4 fiscal years following the budget year; or

(B) the period of the current fiscal year, the budget year, and the ensuing 9 fiscal years following the budget year.

(3) *DIRECT SPENDING LEGISLATION.*—For purposes of this subsection and except as provided in paragraph (4), the term “direct spending legislation” means any bill, joint resolution, amendment, motion, or conference report that affects direct spending as that term is defined by, and interpreted for purposes of, the Balanced Budget and Emergency Deficit Control Act of 1985.

(4) *EXCLUSION.*—For purposes of this subsection, the terms “direct spending legislation” and “revenue legislation” do not include—

(A) any concurrent resolution on the budget; or

(B) any provision of legislation that affects the full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of enactment of the Budget Enforcement Act of 1990.

(5) *BASELINE.*—Estimates prepared pursuant to this subsection shall—

(A) use the baseline surplus or deficit used for the most recently adopted concurrent resolution on the budget; and

(B) be calculated under the requirements of subsections (b) through (d) of section 257 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002) for fiscal years beyond those covered by that concurrent resolution on the budget.

(6) *PRIOR SURPLUS.*—If direct spending or revenue legislation increases the on-budget deficit or causes an on-budget deficit when taken individually, it must also increase the on-budget deficit or cause an on-budget deficit when taken together with all direct spending and revenue legislation enacted since the beginning of the calendar year not accounted for in the baseline under paragraph (5)(A), except that direct spending or revenue effects resulting in net deficit reduction enacted in any bill pursuant to a reconciliation instruction since the beginning of that same calendar year shall never be made available on the pay-as-you-go ledger and shall be dedicated only for deficit reduction.

(b) *SUPERMAJORITY WAIVER AND APPEALS.*—

(1) *WAIVER.*—This section may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) *APPEALS.*—Appeals in the Senate from the decisions of the Chair relating to any provision of this section shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(c) *DETERMINATION OF BUDGET LEVELS.*—For purposes of this section, the levels of new budget authority, outlays, and revenues for a fiscal year shall be determined on the basis of estimates made by the Senate Committee on the Budget.

(d) *SUNSET*.—This section shall expire on September 30, 2017.

(e) *REPEAL*.—In the Senate, section 505 of H. Con. Res. 95 (108th Congress), the fiscal year 2004 concurrent resolution on the budget, shall no longer apply.

SEC. 202. SENATE POINT OF ORDER AGAINST RECONCILIATION LEGISLATION THAT WOULD INCREASE THE DEFICIT OR REDUCE A SURPLUS.

(a) *IN GENERAL*.—It shall not be in order in the Senate to consider any reconciliation bill, resolution, amendment, amendment between Houses, motion, or conference report pursuant to section 310 of the Congressional Budget Act of 1974 that would cause or increase a deficit or reduce a surplus in either of the following periods:

(1) The current fiscal year, the budget year, and the ensuing 4 fiscal years following the budget year.

(2) The current fiscal year, the budget year, and the ensuing 9 fiscal years following the budget year.

(b) *SUPERMAJORITY WAIVER AND APPEAL IN THE SENATE*.—

(1) *WAIVER*.—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) *APPEAL*.—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(c) *DETERMINATION OF BUDGET LEVELS*.—For purposes of this section, the levels of net deficit increases shall be determined on the basis of estimates provided by the Senate Committee on the Budget.

SEC. 203. SENATE POINT OF ORDER AGAINST LEGISLATION INCREASING LONG-TERM DEFICITS.

(a) *CONGRESSIONAL BUDGET OFFICE ANALYSIS OF PROPOSALS*.—The Director of the Congressional Budget Office shall, to the extent practicable, prepare for each bill and joint resolution reported from committee (except measures within the jurisdiction of the Committee on Appropriations), and amendments thereto and conference reports thereon, an estimate of whether the measure would cause, relative to current law, a net increase in deficits in excess of \$5,000,000,000 in any of the four 10-year periods beginning in fiscal year 2018 through fiscal year 2057.

(b) *POINT OF ORDER*.—It shall not be in order in the Senate to consider any bill, joint resolution, amendment, motion, or conference report that would cause a net increase in deficits in excess of \$5,000,000,000 in any of the 4 10-year periods beginning in 2018 through 2057.

(c) *SUPERMAJORITY WAIVER AND APPEAL IN THE SENATE*.—

(1) *WAIVER*.—This section may be waived or suspended only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.

(2) *APPEAL*.—An affirmative vote of three-fifths of the Members, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(d) *DETERMINATIONS OF BUDGET LEVELS*.—For purposes of this section, the levels of net deficit increases shall be determined on the basis of estimates provided by the Senate Committee on the Budget.

(e) *REPEAL.*—In the Senate, section 407 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006, shall no longer apply.

(f) *SUNSET.*—This section shall expire on September 30, 2017.

SEC. 204. EMERGENCY LEGISLATION.

(a) *SENATE.*—

(1) *AUTHORITY TO DESIGNATE.*—In the Senate, with respect to a provision of direct spending or receipts legislation or appropriations for discretionary accounts that Congress designates as an emergency requirement in such measure, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be treated as an emergency requirement for the purpose of this subsection.

(2) *EXEMPTION OF EMERGENCY PROVISIONS.*—Any new budget authority, outlays, and receipts resulting from any provision designated as an emergency requirement, pursuant to this subsection, in any bill, joint resolution, amendment, or conference report shall not count for purposes of sections 302 and 311 of the Congressional Budget Act of 1974 and sections 201, 203, and 207 of this resolution (relating to pay-as-you-go in the Senate, long-term deficits, and discretionary spending limits).

(3) *DESIGNATIONS.*—If a provision of legislation is designated as an emergency requirement under this subsection, the committee report and any statement of managers accompanying that legislation shall include an explanation of the manner in which the provision meets the criteria in paragraph (6).

(4) *DEFINITIONS.*—In this subsection, the terms “direct spending”, “receipts”, and “appropriations for discretionary accounts” mean any provision of a bill, joint resolution, amendment, motion, or conference report that affects direct spending, receipts, or appropriations as those terms have been defined and interpreted for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985.

(5) *POINT OF ORDER.*—

(A) *IN GENERAL.*—When the Senate is considering a bill, resolution, amendment, motion, or conference report, if a point of order is made by a Senator against an emergency designation in that measure, that provision making such a designation shall be stricken from the measure and may not be offered as an amendment from the floor.

(B) *SUPERMAJORITY WAIVER AND APPEALS.*—

(i) *WAIVER.*—Subparagraph (A) may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(ii) *APPEALS.*—Appeals in the Senate from the decisions of the Chair relating to any provision of this paragraph shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution, as the case may be. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this paragraph.

(C) *DEFINITION OF AN EMERGENCY DESIGNATION.*—For purposes of subparagraph (A), a provision shall be consid-

ered an emergency designation if it designates any item as an emergency requirement pursuant to this subsection.

(D) *FORM OF THE POINT OF ORDER.*—A point of order under subparagraph (A) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974.

(E) *CONFERENCE REPORTS.*—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill, upon a point of order being made by any Senator pursuant to this subsection, and such point of order being sustained, such material contained in such conference report shall be deemed stricken, and the Senate shall proceed to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this paragraph), no further amendment shall be in order.

(6) *CRITERIA.*—

(A) *IN GENERAL.*—For purposes of this subsection, any provision is an emergency requirement if the situation addressed by such provision is—

- (i) necessary, essential, or vital (not merely useful or beneficial);
- (ii) sudden, quickly coming into being, and not building up over time;
- (iii) an urgent, pressing, and compelling need requiring immediate action;
- (iv) subject to subparagraph (B), unforeseen, unpredictable, and unanticipated; and
- (v) not permanent, temporary in nature.

(B) *UNFORESEEN.*—An emergency that is part of an aggregate level of anticipated emergencies, particularly when normally estimated in advance, is not unforeseen.

(7) *REPEAL.*—In the Senate, section 402 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006, shall no longer apply.

(b) *HOUSE.*—In the House, if any bill or joint resolution, or amendment offered or considered as adopted or conference report thereon, that makes appropriations for discretionary amounts, and such amounts are designated as necessary to meet emergency needs, then the new budget authority and outlays resulting therefrom shall not be counted for the purposes of titles III and IV of the Congressional Budget Act of 1974.

SEC. 205. EXTENSION OF ENFORCEMENT OF BUDGETARY POINTS OF ORDER IN THE SENATE.

Notwithstanding any provision of the Congressional Budget Act of 1974, subsections (c)(2) and (d)(3) of section 904 of the Congressional Budget Act of 1974 shall remain in effect for purposes of Sen-

ate enforcement through September 30, 2017, and Section 403 of H. Con. Res. 95 (109th Congress) shall no longer apply in the Senate.

SEC. 206. POINT OF ORDER AGAINST ADVANCE APPROPRIATIONS.

(a) *SENATE.*—

(1) *IN GENERAL.*—

(A) *POINT OF ORDER.*—Except as provided in paragraph (2), it shall not be in order in the Senate to consider any bill, joint resolution, motion, amendment, or conference report that would provide an advance appropriation.

(B) *DEFINITION.*—In this subsection, the term “advance appropriation” means any new budget authority provided in a bill or joint resolution making appropriations for fiscal year 2008 that first becomes available for any fiscal year after 2008, or any new budget authority provided in a bill or joint resolution making general appropriations or continuing appropriations for fiscal year 2009, that first becomes available for any fiscal year after 2009.

(2) *EXCEPTIONS.*—Advance appropriations may be provided—

(A) for fiscal years 2009 and 2010 for programs, projects, activities, or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading “Accounts Identified for Advance Appropriations” in an aggregate amount not to exceed \$25,158,000,000 in new budget authority in each year; and

(B) for the Corporation for Public Broadcasting.

(3) *SUPERMAJORITY WAIVER AND APPEAL.*—

(A) *WAIVER.*—In the Senate, paragraph (1) may be waived or suspended only by an affirmative vote of three-fifths of the Members, duly chosen and sworn.

(B) *APPEAL.*—An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under paragraph (1).

(4) *FORM OF POINT OF ORDER.*—A point of order under paragraph (1) may be raised by a Senator as provided in section 313(e) of the Congressional Budget Act of 1974.

(5) *CONFERENCE REPORTS.*—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill, upon a point of order being made by any Senator pursuant to this subsection, and such point of order being sustained, such material contained in such conference report shall be deemed stricken, and the Senate shall proceed to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, not so stricken. Any such motion in the Senate shall be debatable. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.

(6) *REPEAL.*—*In the Senate, section 401 of H. Con. Res. 95 (109th Congress), the concurrent resolution on the budget for fiscal year 2006, shall no longer apply.*

(b) *HOUSE.*—

(1) *IN GENERAL.*—*In the House, except as provided in paragraph (2), a bill or joint resolution making a general appropriation or continuing appropriation, or an amendment thereto may not provide for advance appropriations.*

(2) *ADVANCE APPROPRIATION.*—*In the House, an advance appropriation may be provided for fiscal year 2009 or 2010 for programs, projects, activities, or accounts identified in the joint explanatory statement of managers accompanying this resolution under the heading “Accounts Identified for Advance Appropriations” in an aggregate amount not to exceed \$25,558,000,000 in new budget authority.*

(3) *DEFINITION.*—*In this subsection, the term “advance appropriation” means any new discretionary budget authority provided in a bill or joint resolution making general appropriations or any new discretionary budget authority provided in a bill or joint resolution continuing appropriations for fiscal year 2008 that first becomes available for any fiscal year after 2008.*

SEC. 207. DISCRETIONARY SPENDING LIMITS, PROGRAM INTEGRITY INITIATIVES, AND OTHER ADJUSTMENTS.

(a) *SENATE POINT OF ORDER.*—

(1) *IN GENERAL.*—*Except as otherwise provided in this section, it shall not be in order in the Senate to consider any bill or joint resolution (or amendment, motion, or conference report on that bill or joint resolution) that would cause the discretionary spending limits in this section to be exceeded.*

(2) *SUPERMAJORITY WAIVER AND APPEALS.*—

(A) *WAIVER.*—*This subsection may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn.*

(B) *APPEALS.*—*Appeals in the Senate from the decisions of the Chair relating to any provision of this subsection shall be limited to 1 hour, to be equally divided between, and controlled by, the appellant and the manager of the bill or joint resolution. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this subsection.*

(b) *SENATE DISCRETIONARY SPENDING LIMITS.*—*In the Senate and as used in this section, the term “discretionary spending limit” means—*

(1) *for fiscal year 2007, \$950,504,000,000 in new budget authority and \$1,029,465,000,000 in outlays; and*

(2) *for fiscal year 2008, \$953,052,000,000 in new budget authority and \$1,028,397,000,000 in outlays;*

as adjusted in conformance with the adjustment procedures in subsection (c).

(c) *ADJUSTMENTS IN THE SENATE.*—

(1) *IN GENERAL.*—*After the reporting of a bill or joint resolution relating to any matter described in paragraph (2), or the offering of an amendment thereto or the submission of a conference report thereon—*

(A) *the Chairman of the Senate Committee on the Budget may adjust the discretionary spending limits, budgetary aggregates, and allocations pursuant to section 302(a) of the Congressional Budget Act of 1974, by the amount of new budget authority in that measure for that purpose and the outlays flowing therefrom; and*

(B) *following any adjustment under subparagraph (A), the Senate Committee on Appropriations may report appropriately revised suballocations pursuant to section 302(b) of the Congressional Budget Act of 1974 to carry out this subsection.*

(2) **MATTERS DESCRIBED.**—*Matters referred to in paragraph (1) are as follows:*

(A) **CONTINUING DISABILITY REVIEWS AND SSI REDETERMINATIONS.**—*If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates \$264,000,000 for continuing disability reviews and Supplemental Security Income redeterminations for the Social Security Administration, and provides an additional appropriation of up to \$213,000,000 for continuing disability reviews and Supplemental Security Income redeterminations for the Social Security Administration, then the discretionary spending limits, allocation to the Senate Committee on Appropriations, and aggregates may be adjusted by the amounts provided in such legislation for that purpose, but not to exceed \$213,000,000 in budget authority and outlays flowing therefrom for fiscal year 2008.*

(B) **INTERNAL REVENUE SERVICE TAX ENFORCEMENT.**—*If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates \$6,822,000,000 for the Internal Revenue Service for enhanced tax enforcement to address the Federal tax gap (taxes owed but not paid) and provides an additional appropriation of up to \$406,000,000 for the Internal Revenue Service for enhanced tax enforcement to address the Federal tax gap, then the discretionary spending limits, allocation to the Senate Committee on Appropriations, and aggregates may be adjusted by the amounts provided in such legislation for that purpose, but not to exceed \$406,000,000 in budget authority and outlays flowing therefrom for fiscal year 2008.*

(C) **HEALTH CARE FRAUD AND ABUSE CONTROL.**—*If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates up to \$383,000,000 to the Health Care Fraud and Abuse Control program at the Department of Health and Human Services, then the discretionary spending limits, allocation to the Senate Committee on Appropriations, and aggregates may be adjusted by the amounts provided in such legislation for that purpose, but not to exceed \$383,000,000 in budget authority and outlays flowing therefrom for fiscal year 2008.*

(D) **UNEMPLOYMENT INSURANCE IMPROPER PAYMENT REVIEWS.**—*If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates \$10,000,000 for in-person reemployment and eligibility assessments and unemployment insurance improper payment*

reviews, and provides an additional appropriation of up to \$40,000,000 for in-person reemployment and eligibility assessments and unemployment insurance improper payment reviews, then the discretionary spending limits, allocation to the Senate Committee on Appropriations, and aggregates may be adjusted by the amounts provided in such legislation for that purpose, but not to exceed \$40,000,000 in budget authority and outlays flowing therefrom for fiscal year 2008.

(E) *COSTS OF OVERSEAS DEPLOYMENTS AND RELATED ACTIVITIES.*—The Chairman of the Senate Committee on the Budget may adjust the discretionary spending limits, allocation to the Senate Committee on Appropriations, and aggregates for one or more bills, joint resolutions, motions, amendments, or conference reports making appropriations for fiscal year 2008 for overseas deployments and related activities, by the amounts provided in such legislation for that purpose (and so designated pursuant to this subparagraph) up to the amounts of budget authority specified in Section 103(21) for fiscal year 2008 and the new outlays flowing therefrom.

(d) *HOUSE.*—

(1) *PROGRAM INTEGRITY INITIATIVES AND OTHER ADJUSTMENTS.*—

(A) *CONTINUING DISABILITY REVIEWS AND SUPPLEMENTAL SECURITY INCOME REDETERMINATIONS.*—If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates \$264,000,000 for continuing disability reviews and Supplemental Security Income redeterminations for the Social Security Administration, and provides an additional appropriation of up to \$213,000,000 and the amount is designated for continuing disability reviews and Supplemental Security Income redeterminations for the Social Security Administration, then the allocation to the Committee on Appropriations of the House of Representatives shall be increased by the amount of the additional budget authority and outlays flowing from that budget authority for fiscal year 2008.

(B) *INTERNAL REVENUE SERVICE TAX COMPLIANCE.*—If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates \$6,822,000,000 to the Internal Revenue Service and the amount is designated to improve compliance with the provisions of the Internal Revenue Code of 1986 and provides an additional appropriation of up to \$406,000,000, and the amount is designated to improve compliance with the provisions of the Internal Revenue Code of 1986, then the allocation to the Committee on Appropriations of the House of Representatives shall be increased by the amount of the additional budget authority and outlays flowing from that budget authority for fiscal year 2008.

(C) *HEALTH CARE FRAUD AND ABUSE CONTROL PROGRAM.*—If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates up to \$383,000,000 and the amount is designated to the Health

Care Fraud and Abuse Control program at the Department of Health and Human Services, then the allocation to the Committee on Appropriations of the House of Representatives shall be increased by the amount of additional budget authority and outlays flowing from that budget authority for fiscal year 2008.

(D) *UNEMPLOYMENT INSURANCE IMPROPER PAYMENT REVIEWS.—If a bill or joint resolution is reported making appropriations for fiscal year 2008 that appropriates \$10,000,000 for in-person reemployment and eligibility assessments and unemployment insurance improper payment reviews, and provides an additional appropriation of up to \$40,000,000 for in-person reemployment and eligibility assessments and unemployment insurance improper payment reviews, then the allocation to the Committee on Appropriations and aggregates may be adjusted by the amounts provided in such legislation for that purpose, but not to exceed \$40,000,000 in budget authority and outlays flowing therefrom for fiscal year 2008.*

(E) *COSTS OF OVERSEAS DEPLOYMENTS AND RELATED ACTIVITIES.—*

(i) *In the House, if one or more bills or joint resolutions are reported making appropriations for fiscal year 2008 for overseas deployments and related activities, (and such amounts are so designated pursuant to this clause) then the allocation to the House Committee on Appropriations and aggregates may be adjusted by the amounts provided in such legislation for that purpose up to the amounts of budget authority specified in section 103 (21) for fiscal year 2008 and the new outlays flowing therefrom.*

(ii) *In the House, if one or more bills or joint resolutions are reported making appropriations for fiscal year 2008 for overseas deployments and related activities (and such amounts are so designated pursuant to this clause) above the amounts of budget authority and new outlays specified in clause (i), then new budget authority, outlays, or receipts resulting therefrom shall not count for the purposes of titles III and IV of the Congressional Budget Act of 1974.*

(2) *PROCEDURE FOR ADJUSTMENTS.—*

(A) *IN GENERAL.—After the reporting of a bill or joint resolution, or an amendment offered or considered as adopted thereto, or the submission of a conference report thereon, the Chairman of the Committee on the Budget shall make adjustments set forth in paragraph (1) for the incremental new budget authority in that measure and the outlays flowing from that budget authority, if that measure meets the requirements set forth in paragraph (1), except that no adjustment shall be made for provisions exempted for the purposes of titles III and IV of the Congressional Budget Act of 1974 under paragraph (1)(E)(ii).*

(B) *MATTERS TO BE ADJUSTED.—The adjustments referred to in subparagraph (A) are to be made to—*

(i) the allocations made pursuant to the appropriate concurrent resolution on the budget pursuant to section 302(a) of the Congressional Budget Act of 1974; and

(ii) the budgetary aggregates as set forth in this resolution.

(e) **OVERSIGHT OF GOVERNMENT PERFORMANCE.**—*In the House and the Senate, all committees are directed to review programs within their jurisdictions to root out waste, fraud, and abuse in program spending, giving particular scrutiny to issues raised by Government Accountability Office reports. Based on these oversight efforts and committee performance reviews of programs within their jurisdictions, committees are directed to include recommendations for improved governmental performance in their annual views and estimates reports required under section 301(d) of the Congressional Budget Act of 1974 to the Committees on the Budget.*

(f) **SUPPLEMENTAL APPROPRIATIONS FOR FISCAL YEAR 2007.**—*If legislation making supplemental appropriations for fiscal year 2007 is enacted, the Chairman of the appropriate Committee on the Budget shall make the appropriate adjustments in allocations, aggregates, discretionary spending limits, and other levels of new budget authority and outlays to reflect the difference between such measure and the corresponding levels assumed in this resolution.*

SEC. 208. APPLICATION OF PREVIOUS ALLOCATIONS IN THE SENATE.

Section 7035 of Public Law 109–234 shall no longer apply in the Senate.

SEC. 209. SENATE POINT OF ORDER AGAINST PROVISIONS OF APPROPRIATIONS LEGISLATION THAT CONSTITUTE CHANGES IN MANDATORY PROGRAMS WITH NET COSTS.

(a) **IN GENERAL.**—*In the Senate, it shall not be in order to consider any appropriations legislation, including any amendment thereto, motion in relation thereto, or conference report thereon, that includes any provision which constitutes a change in a mandatory program producing net costs, as defined in subsection (b), that would have been estimated as affecting direct spending or receipts under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002) were they included in legislation other than appropriations legislation. A point of order pursuant to this section shall be raised against such provision or provisions as described in subsections (e) and (f).*

(b) **CHANGES IN MANDATORY PROGRAMS PRODUCING NET COSTS.**—*A provision or provisions shall be subject to a point of order pursuant to this section if—*

(1) *the provision would increase budget authority in at least 1 of the 9 fiscal years that follow the budget year and over the period of the total of the budget year and the 9 fiscal years following the budget year;*

(2) *the provision would increase net outlays over the period of the total of the 9 fiscal years following the budget year; and*

(3) *the sum total of all changes in mandatory programs in the legislation would increase net outlays as measured over the period of the total of the 9 fiscal years following the budget year.*

(c) *DETERMINATION.*—The determination of whether a provision is subject to a point of order pursuant to this section shall be made by the Committee on the Budget of the Senate.

(d) *SUPERMAJORITY WAIVER AND APPEAL.*—This section may be waived or suspended in the Senate only by an affirmative vote of three-fifths of the Members, duly chosen and sworn. An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required to sustain an appeal of the ruling of the Chair on a point of order raised under this section.

(e) *GENERAL POINT OF ORDER.*—It shall be in order for a Senator to raise a single point of order that several provisions of a bill, resolution, amendment, motion, or conference report violate this section. The Presiding Officer may sustain the point of order as to some or all of the provisions against which the Senator raised the point of order. If the Presiding Officer so sustains the point of order as to some of the provisions (including provisions of an amendment, motion, or conference report) against which the Senator raised the point of order, then only those provisions (including provision of an amendment, motion, or conference report) against which the Presiding Officer sustains the point of order shall be deemed stricken pursuant to this section. Before the Presiding Officer rules on such a point of order, any Senator may move to waive such a point of order as it applies to some or all of the provisions against which the point of order was raised. Such a motion to waive is amendable in accordance with rules and precedents of the Senate. After the Presiding Officer rules on such a point of order, any Senator may appeal the ruling of the Presiding Officer on such a point of order as it applies to some or all of the provisions on which the Presiding Officer ruled.

(f) *FORM OF THE POINT OF ORDER.*—When the Senate is considering a conference report on, or an amendment between the Houses in relation to, a bill, upon a point of order being made by any Senator pursuant to this section, and such point of order being sustained, such material contained in such conference report or amendment shall be deemed stricken, and the Senate shall proceed to consider the question of whether the Senate shall recede from its amendment and concur with a further amendment, or concur in the House amendment with a further amendment, as the case may be, which further amendment shall consist of only that portion of the conference report or House amendment, as the case may be, not so stricken. Any such motion shall be debatable. In any case in which such point of order is sustained against a conference report (or Senate amendment derived from such conference report by operation of this subsection), no further amendment shall be in order.

(g) *EFFECTIVENESS.*—This section shall not apply to—

(1) legislation making supplemental appropriations for fiscal year 2007; and

(2) any provision constituting a change in a mandatory program in appropriations legislation if such provision has been enacted in each of the 3 fiscal years prior to the budget year.

SEC. 210. COMPLIANCE WITH SECTION 13301 OF THE BUDGET ENFORCEMENT ACT OF 1990.

(a) *IN GENERAL.*—In the House and the Senate, notwithstanding section 302(a)(1) of the Congressional Budget Act of 1974

and section 13301 of the Budget Enforcement Act of 1990, the joint explanatory statement accompanying the conference report on any concurrent resolution on the budget shall include in its allocation under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations amounts for the discretionary administrative expenses of the Social Security Administration.

(b) *SPECIAL RULE.*—In the House, for purposes of applying section 302(f) of the Congressional Budget Act of 1974, estimates of the level of total new budget authority and total outlays provided by a measure shall include any discretionary amounts provided for the Social Security Administration.

SEC. 211. APPLICATION AND EFFECT OF CHANGES IN ALLOCATIONS AND AGGREGATES.

(a) *APPLICATION.*—Any adjustments of allocations and aggregates made pursuant to this resolution shall—

- (1) apply while that measure is under consideration;
- (2) take effect upon the enactment of that measure; and
- (3) be published in the Congressional Record as soon as practicable.

(b) *EFFECT OF CHANGED ALLOCATIONS AND AGGREGATES.*—Revised allocations and aggregates resulting from these adjustments shall be considered for the purposes of the Congressional Budget Act of 1974 as allocations and aggregates contained in this resolution.

(c) *BUDGET COMMITTEE DETERMINATIONS.*—For purposes of this resolution the levels of new budget authority, outlays, direct spending, new entitlement authority, revenues, deficits, and surpluses for a fiscal year or period of fiscal years shall be determined on the basis of estimates made by the appropriate Committee on the Budget.

SEC. 212. ADJUSTMENTS TO REFLECT CHANGES IN CONCEPTS AND DEFINITIONS.

Upon the enactment of a bill or joint resolution providing for a change in concepts or definitions, the Chairman of the appropriate Committee on the Budget may make adjustments to the levels and allocations in this resolution in accordance with section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 (as in effect prior to September 30, 2002).

SEC. 213. EXERCISE OF RULEMAKING POWERS.

Congress adopts the provisions of this title—

(1) as an exercise of the rulemaking power of the Senate and House of Representatives, respectively, and as such they shall be considered as part of the rules of each House or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent with such other rules; and

(2) with full recognition of the constitutional right of either the Senate or House of Representatives to change those rules (insofar as they relate to that House) at any time, in the same manner, and to the same extent as is the case of any other rule of the Senate or House of Representatives.

TITLE III—RESERVE FUNDS

SEC. 301. DEFICIT-NEUTRAL RESERVE FUND FOR SCHIP LEGISLATION.

(a) SENATE.—

(1) PRIORITY.—The Senate establishes the following priorities and makes the following findings:

(A) The Senate shall make the enactment of legislation to reauthorize the State Children's Health Insurance Program (SCHIP) a top priority for the remainder of fiscal year 2007, during the first session of the 110th Congress.

(B) Extending health care coverage to the Nation's vulnerable uninsured children is an urgent priority for the Senate.

(C) SCHIP has proven itself a successful program for covering previously uninsured children.

(D) More than 6 million children are enrolled in this landmark program, which has enjoyed broad bipartisan support in Congress, among our Nation's governors, and within state and local governments.

(E) SCHIP reduces the percentage of children with unmet health care needs.

(F) Since SCHIP was created, enormous progress has been made in reducing disparities in children's coverage rates.

(G) Uninsured children who gain coverage through SCHIP receive more preventive care and their parents report better access to providers and improved communications with their children's doctors.

(H) Congress has a responsibility to reauthorize SCHIP before the expiration of its current authorization.

(2) RESERVE FUND.—In the Senate, the Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides up to \$50,000,000,000 in outlays over the period of the total of fiscal years 2007 through 2012 for reauthorization of the State Children's Health Insurance Program (SCHIP), if such legislation maintains coverage for those currently enrolled in SCHIP, continues efforts to enroll uninsured children who are already eligible for SCHIP or Medicaid but are not enrolled, or supports States in their efforts to move forward in covering more children, by the amounts provided in that legislation for those purposes, provided that the outlay adjustment shall not exceed \$50,000,000,000 in outlays over the period of the total of fiscal years 2007 through 2012, and provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

(b) HOUSE RESERVE FUND FOR THE STATE CHILDREN'S HEALTH INSURANCE PROGRAM.—The Chairman of the House Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels for bills, joint resolutions, amendments, or conference reports, which contains matter within the jurisdiction of the Committee on Energy and Commerce that ex-

pands coverage and improves children's health through the State Children's Health Insurance Program (SCHIP) under title XXI of the Social Security Act and the program under title XIX of such Act (commonly known as Medicaid) and that increases new budget authority that will result in not more than \$50,000,000,000 in outlays in fiscal years 2007 through 2012, and others which contain offsets so designated for the purpose of this section within the jurisdiction of another committee or committees, if the combined changes would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 302. DEFICIT-NEUTRAL RESERVE FUND FOR VETERANS AND WOUNDED SERVICEMEMBERS.

The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports which—

- (1) enhance medical care and disability benefits for wounded or disabled military personnel or veterans, which may include low-vision and blinded veterans;
- (2) expand eligibility for Combat-Related Special Compensation to permit additional disabled retirees to receive both disability compensation and retired pay;
- (3) eliminate the offset between Survivor Benefit Plan annuities and veterans' dependency and indemnity compensation;
- (4) improve disability evaluations of military personnel or veterans to expedite the claims process;
- (5) enhance educational benefits of veterans; or
- (6) provide for or increase benefits to Filipino veterans of World War II, their survivors and dependents;

by the amounts provided in such legislation for those purposes (or, in the House, that contain offsets so designated for those purposes), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 303. DEFICIT-NEUTRAL RESERVE FUND FOR TAX RELIEF.

(a) **SENATE.**—In the Senate, the Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would provide tax relief, including extensions of expiring tax relief and refundable tax relief, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

(b) **HOUSE.**—

(1) **RESERVE FUND FOR REFORM OF THE ALTERNATIVE MINIMUM TAX.**—The Chairman of the House Committee on the Budget may revise the allocations of a committee or committees,

aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide for reform of the Internal Revenue Code of 1986 by reducing the tax burden of the alternative minimum tax on middle-income families by the amounts provided in such legislation for that purpose or that contain offsets so designated for that purpose, provided that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(2) RESERVE FUND TO PROVIDE FOR MIDDLE-INCOME TAX RELIEF AND ECONOMIC EQUITY.—The Chairman of the House Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide for tax relief for middle-income families and taxpayers and enhanced economic equity, such as extension of the child tax credit, extension of marriage penalty relief, extension of the 10 percent individual income tax bracket, modification of the Alternative Minimum Tax, elimination of estate taxes on all but a minute fraction of estates by reforming and substantially increasing the unified credit, extension of the research and experimentation tax credit, extension of the deduction for State and local sales taxes, and a tax credit for school construction bonds, by the amounts provided in such legislation for those purposes or that contain offsets so designated for those purposes, provided that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 304. DEFICIT-NEUTRAL RESERVE FUND FOR MEDICARE IMPROVEMENTS.

(a) HOUSE.—The Chairman of the House Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that improve the Medicare program for beneficiaries and protect access to care, through measures such as increasing the reimbursement rate for physicians while protecting beneficiaries from associated premium increases and making improvements to the prescription drug program under part D by the amounts provided in such legislation for those purposes or that contain offsets so designated for those purposes, provided that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(b) SENATE.—

(1) PRESCRIPTION DRUGS.—In the Senate, the Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that repeals the prohibition in section 1860D–11(i)(1) of the Social Security Act (42 U.S.C. 1395w–111(i)(1)) while preserving access to prescription drugs and price competition without requiring a particular formulary or instituting a price structure

for reimbursement of covered Part D drugs, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further that any savings from the measure are to be used either to improve the Medicare Part D benefit or for deficit reduction.

(2) *PHYSICIAN PAYMENTS.*—*In the Senate, the Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that increases the reimbursement rate for physician services under section 1848(d) of the Social Security Act and that includes financial incentives for physicians to improve the quality and efficiency of items and services furnished to Medicare beneficiaries through the use of consensus-based quality measures, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.*

(3) *IMPROVEMENTS TO MEDICARE PART D.*—*In the Senate, the Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that makes improvements to the prescription drug benefit under Medicare Part D, by the amounts provided in such legislation for that purpose up to \$5,000,000,000, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.*

(4) *IMPROVING MEDICARE HOSPITAL PAYMENTS.*—*In the Senate, the Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that—*

(A) includes provisions to reform the area wage index used to adjust payments to hospitals under the Medicare hospital inpatient prospective payment system under section 1886(d) of the Social Security Act (42 U.S.C. 1395ww(d)); and

(B) includes a transition to the reform described in subparagraph (A);
provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

(c) *SENATE AND HOUSE DEFICIT-NEUTRAL RESERVE FUND TO ADDRESS PHYSICIAN AND OTHER HEALTH CARE PROVIDER SHORTAGES.*—*The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that encourage physicians to train in primary care residencies and attract more physicians and other health care providers to States that*

face a shortage of health care providers by the amounts provided in such legislation for those purposes (or, in the House, that contain offsets so designated for those purposes), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 305. DEFICIT NEUTRAL RESERVE FUNDS FOR HEALTH CARE QUALITY, EFFECTIVENESS, EFFICIENCY, AND TRANSPARENCY.

(a) HEALTH INFORMATION TECHNOLOGY.—

(1) The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide incentives or other support for adoption of modern information technology to improve quality and protect privacy in health care, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(2) The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide incentives for Medicare providers or suppliers to comply with, where available and medically appropriate, clinical protocols identified as best practices, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(b) COMPARATIVE EFFECTIVENESS RESEARCH.—The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that establish a new Federal or public-private initiative for comparative effectiveness research, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years

2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(c) **IMPROVING THE HEALTH CARE SYSTEM.**—In the Senate, the Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other levels in this resolution for a bill, joint resolution, motion, amendment, or conference report that—

(1) creates a framework and parameters for the use of Medicare data for the purpose of conducting research, public reporting, and other activities to evaluate health care safety, effectiveness, efficiency, quality, and resource utilization in Federal programs and the private health care system; and

(2) includes provisions to protect beneficiary privacy and to prevent disclosure of proprietary or trade secret information with respect to the transfer and use of such data;

provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

SEC. 306. DEFICIT-NEUTRAL RESERVE FUND FOR HIGHER EDUCATION.

(a) **SENATE.**—In the Senate, the Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would make higher education more accessible and more affordable, which may include tax benefits, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

(b) **HOUSE.**—The Chairman of the House Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that make college more affordable through reforms to the Higher Education Act of 1965 or other legislation by the amounts provided in such legislation for that purpose or that contain offsets so designated for that purpose, provided that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 307. DEFICIT-NEUTRAL RESERVE FUND FOR THE FARM BILL.

(a) **SENATE.**—The Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide for the reauthorization of the programs of the Food Security and Rural Investment Act of 2002 or prior Acts, authorize similar or related programs, provide for revenue changes, or any combination of the preceding purposes, by the amounts provided in such legislation for those purposes up to \$20,000,000,000 over the period of the total of fiscal years 2007 through 2012, provided that such legislation would not increase the deficit over either the period of the total of

fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

(b) *HOUSE.—The Chairman of the House Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide for the reauthorization of the programs of the Food Security and Rural Investment Act of 2002 or prior Acts, authorize similar or related programs, or both, by the amounts provided in such legislation for those purposes or that contain offsets so designated for those purposes up to \$20,000,000,000 for the total over the period of fiscal years 2007 through 2012, provided that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.*

SEC. 308. DEFICIT-NEUTRAL RESERVE FUND FOR ENERGY LEGISLATION.

(a) *SENATE.—In the Senate, the Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels and limits in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would reduce our Nation's dependence on foreign sources of energy, expand production and use of clean alternative fuels and alternative fuel vehicles, promote renewable energy development, improve electricity transmission, encourage responsible development of domestic oil and natural gas resources, or reward conservation and efficiency, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017. The legislation may include tax legislation such as a proposal to extend energy tax incentives like the production tax credit for electricity produced from renewable resources, the Clean Renewable Energy Bond program, or provisions to encourage energy efficient buildings, products, and power plants.*

(b) *HOUSE.—*

(1) *The Chairman of the House Committee on the Budget shall revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that fulfill the purposes of section 301(a) of H.R. 6, the Clean Energy Act of 2007 by the amounts provided in such legislation for those purposes or that contain offsets so designated for those purposes, provided that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.*

(2) *The Chairman of the House Committee on the Budget shall revise the allocations provided for under section 302(a) of the Congressional Budget Act of 1974 to the Committee on Appropriations to the extent that any bills, joint resolutions, amendments, motions, or conference reports provide budget authority for purposes set forth in section 301(a) of H.R. 6 in excess of the amounts provided for those purposes in fiscal year 2007. Any adjustments made under this paragraph shall not*

include revenues attributable to changes in the Internal Revenue Code of 1986 and shall not exceed the receipts estimated by the Congressional Budget Office that are attributable to H.R. 6 for the year in which the adjustments are made.

SEC. 309. DEFICIT-NEUTRAL RESERVE FUND FOR COUNTY PAYMENTS LEGISLATION.

The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels and limits in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide for the reauthorization of the Secure Rural Schools and Community Self-Determination Act of 2000 (Public Law 106-393), make changes to the Payments in Lieu of Taxes Act of 1976 (Public Law 94-565), or both, by the amounts provided by that legislation for those purposes (or, in the House, that contain offsets so designated for those purposes), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 310. DEFICIT-NEUTRAL RESERVE FUND FOR TERRORISM RISK INSURANCE REAUTHORIZATION.

The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide for a continued Federal role in ensuring the availability of terrorism insurance after the expiration of the Terrorism Risk Insurance Extension Act, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 311. DEFICIT-NEUTRAL RESERVE FUND FOR AFFORDABLE HOUSING.

The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would establish an affordable housing fund financed by the housing government sponsored enterprises, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for

the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 312. DEFICIT-NEUTRAL RESERVE FUND FOR RECEIPTS FROM BONNEVILLE POWER ADMINISTRATION.

The Chairman of the appropriate Committee on the Budget may adjust the allocations of a committee or committees, aggregates, and other appropriate levels and limits in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that prohibit the Bonneville Power Administration from making early payments on its Federal Bond Debt to the United States Treasury, by the amounts provided by that legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 313. DEFICIT-NEUTRAL RESERVE FUND FOR INDIAN CLAIMS SETTLEMENT.

The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that—

(1) create an Indian claims settlement fund for trust accounting and management deficiencies related to Individual Indian Moneys and assets; and

(2) extinguish all claims arising before the date of enactment for losses resulting from accounting errors, mismanagement of assets, or interest owed in connection with Individual Indian Moneys accounts;

by the amounts provided in such legislation for those purposes up to \$8,000,000,000 (or, in the House, that contain offsets so designated for those purposes), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 314. DEFICIT-NEUTRAL RESERVE FUND FOR IMPROVEMENTS IN HEALTH.

(a) HEALTH INSURANCE COVERAGE.—The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that make health insurance coverage more affordable or available to small businesses and their employees, through pooling arrangements that provide appropriate consumer protections, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal

years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(b) *HEALTH COVERAGE.*—If a SCHIP reauthorization bill is enacted, then the Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports to improve health care, and provide quality health insurance for the uninsured and underinsured, and protect individuals with current health coverage, by the amounts provided in that legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(c) *LONG-TERM CARE.*—The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would improve long-term care, enhance the safety and dignity of patients, encourage appropriate use of institutional and community-based care, promote quality care, or provide for the cost-effective use of public resources, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(d) *MENTAL HEALTH PARITY.*—The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would provide parity between health insurance coverage of mental health benefits and benefits for medical and surgical services, including parity in public programs, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 315. DEFICIT-NEUTRAL RESERVE FUND FOR CHILD CARE.

The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide up to \$5,000,000,000 for the child care entitlement to States, by the amounts provided by such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 316. DEFICIT-NEUTRAL RESERVE FUND FOR IMMIGRATION REFORM IN THE SENATE.

The Chairman of the Senate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that provide for immigration reform by the amounts provided in such legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

SEC. 317. DEFICIT-REDUCTION RESERVE FUND.

(a) REDUCTION OF IMPROPER PAYMENTS.—The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels and limits in this resolution upon enactment of legislation that achieves savings by eliminating or reducing improper payments made by agencies reporting improper payments estimates under the Improper Payments Information Act of 2002 and uses such savings to reduce the deficit (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(b) INCREASED USE OF RECOVERY AUDITS.—The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels and limits in this resolution upon enactment of legislation that achieves savings by requiring that agencies increase their use of the recovery audits authorized by the Erroneous Payments Recovery Act of 2001 (section 831 of the National Defense Authorization Act for fiscal year 2002) and uses such savings to reduce the deficit (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the pe-

riod of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 318. DEFICIT-NEUTRAL RESERVE FUND FOR MANUFACTURING INITIATIVES IN THE SENATE.

In the Senate, the Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports, including tax legislation, that would revitalize the United States domestic manufacturing sector by increasing Federal research and development, by expanding the scope and effectiveness of manufacturing programs across the Federal government, by increasing support for development of alternative fuels and leap-ahead automotive and energy technologies, and by establishing tax incentives to encourage the continued production in the United States of advanced technologies and the infrastructure to support such technologies, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

SEC. 319. DEFICIT-NEUTRAL RESERVE FUND FOR THE FOOD AND DRUG ADMINISTRATION IN THE SENATE.

(a) REGULATION.—In the Senate, the Chairman of the Senate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, motion, amendment, or conference report that authorizes the Food and Drug Administration to regulate products and assess user fees on manufacturers and importers of those products to cover the cost of the Food and Drug Administration's regulatory activities, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

(b) DRUG IMPORTATION.—In the Senate, the Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other levels in this resolution for a bill, joint resolution, motion, amendment, or conference report that permits the safe importation of prescription drugs approved by the Food and Drug Administration from a specified list of countries, by the amounts provided in such legislation for that purpose, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

SEC. 320. DEFICIT-NEUTRAL RESERVE FUND FOR MEDICAID.

(a) DELAY OF RULE.—The Chairman of the appropriate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides for a delay in the implementation of the proposed rule published on January 18, 2007, on pages 2236 through 2248 of volume 72, Federal Register (relating to parts 433, 447, and 457 of title 42, Code of Federal Regulations) or any other rule that would affect the Medicaid program or SCHIP in a similar manner, or place restrictions on coverage of or payment for graduate medical education, rehabilitation

services, or school-based administration, transportation, or medical services under title XIX of the Social Security Act by the amounts provided in that legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the total of the period of fiscal years 2007 through 2012 or the total of the period of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(b) *DEMONSTRATION PROJECT REGARDING MEDICAID COVERAGE OF LOW-INCOME HIV-INFECTED INDIVIDUALS.*—The Chairman of the appropriate Committee on the Budget may revise the allocations, aggregates, and other appropriate levels in this resolution for a bill, joint resolution, amendment, motion, or conference report that provides for a demonstration project under which a State may apply under section 1115 of the Social Security Act (42 U.S.C. 1315) to provide medical assistance under a State Medicaid program to HIV-infected individuals who are not eligible for medical assistance under such program under section 1902(a)(10)(A)(I) of the Social Security Act (42 U.S.C. 1396a(a)(10)(A)(I)), by the amounts provided in that legislation for those purposes up to \$500,000,000 (or, in the House, that contain offsets so designated for those purposes), provided in the Senate that such legislation would not increase the deficit over either the total of the period of fiscal years 2007 through 2012 or the total of the period of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

(c) *TRANSITIONAL MEDICAL ASSISTANCE.*—The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions or conference reports that extend the Transitional Medical Assistance program, included in title XIX of the Social Security Act, by the amounts provided in such legislation for that purpose (or, in the House, that contain offsets so designated for that purpose), provided in the Senate that such legislation would not increase the deficit over either the total of the period of fiscal years 2007 through 2012 or the total of the period of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 321. RESERVE FUND ADJUSTMENT FOR REVENUE MEASURES IN THE HOUSE.

In the House, for the duration of the 110th Congress with respect to consideration of any bill, joint resolution, amendment, motion, or conference report that would decrease total revenues for the single period comprising the budget year and the following 4 fiscal years below the Congressional Budget Office baseline for the most recent concurrent resolution on the budget, the Chairman of the House Committee on the Budget shall increase the revenue aggregates by \$179,816,000,000 for the total over the period of fiscal

years 2008 through 2012, if the Chairman determines that such legislation does not contain a provision consistent with the provision set forth in the joint explanatory statement of managers accompanying this concurrent resolution. The Chairman may readjust such levels upon disposition of any measure in violation of this section.

SEC. 322. DEFICIT-NEUTRAL RESERVE FUND FOR SAN JOAQUIN RIVER RESTORATION AND NAVAJO NATION WATER RIGHTS SETTLEMENTS.

The Chairman of the appropriate Committee on the Budget may revise the allocations of a committee or committees, aggregates, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would fulfill the purposes of the San Joaquin River Restoration Settlement Act, implement a Navajo Nation water rights settlement as authorized by the Northwestern New Mexico Rural Water Projects Act, or both, by the amounts provided by that legislation for those purposes (or, in the House, that contain offsets so designated for those purposes), provided in the Senate that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017, and provided further in the House that such legislation would not increase the deficit or decrease the surplus for the total over the period of fiscal years 2007 through 2012 or the period of fiscal years 2007 through 2017.

SEC. 323. DEFICIT-NEUTRAL RESERVE FUND FOR SELECTED TAX RELIEF POLICIES IN THE SENATE.

The Chairman of the Senate Committee on the Budget may revise the aggregates, allocations, and other appropriate levels in this resolution for one or more bills, joint resolutions, amendments, motions, or conference reports that would provide tax relief by extending the State and local sales tax deduction, extending enhanced charitable giving from individual retirement accounts, reauthorizing the new markets tax credit under section 45D of the Internal Revenue Code of 1986, or extending and increasing the above-the-line deduction for teacher classroom supplies and expanding it to include qualified professional development expenses, by the amounts provided in that legislation for those purposes, provided that such legislation would not increase the deficit over either the period of the total of fiscal years 2007 through 2012 or the period of the total of fiscal years 2007 through 2017.

TITLE IV—POLICY

SEC. 401. POLICY ON MIDDLE-INCOME TAX RELIEF.

(a) IN THE HOUSE.—

(1) IN GENERAL.—It is the policy of the House to minimize fiscal burdens on middle-income families and their children and grandchildren. It is the policy of the House to provide immediate relief for the tens of millions of middle-income households who would otherwise be subject to the Alternative Minimum Tax under current law. Furthermore, it is the policy of the House to support extension of middle-income tax relief and enhanced economic equity through policies such as—

- (A) extension of the child tax credit;
- (B) extension of marriage penalty relief;
- (C) extension of the 10 percent individual income tax bracket;
- (D) elimination of estate taxes on all but a minute fraction of estates by reforming and substantially increasing the unified tax credit;
- (E) extension of the research and experimentation tax credit;
- (F) extension of the deduction for State and local sales taxes;
- (G) extension of the deduction for small business expensing; and
- (H) enactment of a tax credit for school construction bonds.

(2) *OTHER MATTERS.*—The House assumes the cost of enacting such policies is offset by reforms within the Internal Revenue Code of 1986 that promote economic efficiency, higher rates of tax compliance to close the “tax gap”, and reduced taxpayer burdens through tax simplification.

(b) *IN THE SENATE.*—

(1) *IN GENERAL.*—The Senate adopted by a vote of 97 to 1 an amendment to S.Con.Res. 21 as reported by the Senate Committee on the Budget which, with regard to tax relief, reduced the revenue aggregates by \$179,816,000,000 to provide for—

- (A) extension of the child tax credit;
- (B) extension of marriage penalty relief;
- (C) extension of the 10 percent individual income tax bracket;
- (D) reform of the estate tax to protect small businesses and family farms;
- (E) extension of the adoption tax credit;
- (F) extension of the dependent care tax credit;
- (G) extension of the treatment of combat pay for purposes of determining the Earned Income Tax Credit; and
- (H) other, unspecified tax relief.

(2) *POLICY.*—It is the policy of the Senate that this resolution supports both the enactment of the policies listed in paragraph (1) and the Senate pay-as-you-go rule in section 201, and that any additional revenues needed to meet the Senate’s tax policy goals can be achieved by closing the tax gap, shutting down abusive tax shelters, addressing offshore tax havens, and without raising taxes.

SEC. 402. POLICY ON DEFENSE PRIORITIES.

It is the policy of this resolution that—

(1) implementing the recommendation of the National Commission on Terrorist Attacks Upon the United States (commonly referred to as the 9/11 Commission) to adequately fund cooperative threat reduction and nuclear nonproliferation programs should receive higher priority than the President’s budget provides;

(2) TRICARE fees for military retirees under the age of 65 should remain at current levels;

(3) military pay and benefits should be enhanced to improve retention of experienced personnel;

(4) the recommendations of the bipartisan “Walter Reed Commission” (the President’s Commission on Care for America’s Returning Wounded Warriors) and other United States Government investigations into military healthcare facilities and services should be funded;

(5) higher priority defense needs could be addressed by funding missile defense at an adequate but lower level, not providing funding for development of space-based missile defense interceptors, and by restraining excessive cost and schedule growth in defense research, development and procurement programs;

(6) sufficient resources should be provided for the Department of Defense to do a more careful job of addressing as many as possible of the 1,378 unimplemented recommendations made by the Government Accountability Office over the last 6 years to improve practices at the Department of Defense, including investigation of the billions of dollars of obligations, disbursements and overcharges for which the Department of Defense cannot account; and

(7) savings from the actions recommended in paragraphs (5) and (6) of this section should be used to fund the priorities identified in paragraphs (1) through (4) in this section.

SEC. 403. POLICY ON COLLEGE AFFORDABILITY.

It is the policy of this resolution that nothing in this resolution should be construed to reduce any assistance that makes college more affordable for students, including but not limited to assistance to student aid programs run by nonprofit state agencies.

TITLE V—SENSE OF THE HOUSE AND SENSE OF CONGRESS

**SEC. 501. SENSE OF CONGRESS ON SERVICEMEMBERS’ AND VETERANS’
HEALTH CARE AND OTHER PRIORITIES.**

It is the sense of Congress that—

(1) Congress supports excellent health care for current and former members of the United States Armed Services, who have served well and honorably and have made significant sacrifices for this Nation;

(2) this resolution provides \$43,125,000,000 in discretionary budget authority for 2008 for Function 700 (Veterans Benefits and Services), including veterans’ health care, which is \$6,668,000,000 more than the 2007 level, \$5,474,000,000 more than the Congressional Budget Office’s baseline level for 2008, and \$3,576,000,000 more than the President’s budget for 2008;

(3) this resolution provides funding to implement, in part, recommendations of the bi-partisan “Walter Reed Commission” (the President’s Commission on Care for America’s Returning Wounded Warriors) and other United States Government investigations into military and veterans health care facilities and services;

(4) this resolution assumes the rejection of the enrollment fees and co-payment increases in the President’s budget;

(5) this resolution provides additional funding above the President’s inadequate budget levels for the Department of Vet-

erans Affairs to research and treat veterans' mental health, post-traumatic stress disorder, and traumatic brain and spinal cord injuries; and

(6) this resolution provides additional funding above the President's inadequate budget levels for the Department of Veterans Affairs to improve the speed and accuracy of its processing of disability compensation claims, including funding to hire additional personnel above the President's requested level.

SEC. 502. SENSE OF CONGRESS ON THE INNOVATION AGENDA: A COMMITMENT TO COMPETITIVENESS TO KEEP AMERICA #1.

(a) It is the sense of Congress to provide sufficient funding that our Nation may continue to be the world leader in education, innovation and economic growth. This resolution provides substantial increased funding above the President's requested level for 2008, and additional amounts in subsequent years in Function 250 (General Science, Space and Technology) and Function 270 (Energy). Additional increases for scientific research and education are included in Function 500 (Education, Employment, Training, and Social Services), Function 550 (Health), Function 300 (Environment and Natural Resources), Function 350 (Agriculture), Function 400 (Transportation), and Function 370 (Commerce and Housing Credit), all of which receive more funding than the President requested.

(b) America's greatest resource for innovation resides within classrooms across the country. The increased funding provided in this resolution will support important initiatives to educate 100,000 new scientists, engineers, and mathematicians, and place highly qualified teachers in math and science K–12 classrooms.

(c) Independent scientific research provides the foundation for innovation and future technologies. This resolution will put us on the path toward doubling funding for the National Science Foundation, basic research in the physical sciences, and collaborative research partnerships; and toward achieving energy independence through the development of clean and sustainable alternative energy technologies.

SEC. 503. SENSE OF CONGRESS ON HOMELAND SECURITY.

It is the sense of Congress that—

(1) this resolution assumes additional homeland security funding above the President's requested level for 2008 and every subsequent year;

(2) this resolution assumes funding above the President's requested level for 2008, and additional amounts in subsequent years, in the four budget functions: Function 400 (Transportation), Function 450 (Community and Regional Development), Function 550 (Health), and Function 750 (Administration of Justice) that fund most nondefense homeland security activities; and

(3) the homeland security funding provided in this resolution will help to strengthen the security of our Nation's transportation system, particularly our ports where significant security shortfalls still exist and foreign ports, by expanding efforts to identify and scan all high-risk United States-bound cargo, equip, train and support first responders (including enhancing interoperable communications and emergency management),

strengthen border patrol, and increase the preparedness of the public health system.

SEC. 504. SENSE OF CONGRESS REGARDING THE ONGOING NEED TO RESPOND TO HURRICANES KATRINA AND RITA.

The sense of Congress is as follows:

(1) Critical needs in the Gulf Coast region should be addressed without further delay. The budget resolution creates a reserve fund that would allow for affordable housing that may be used to focus on areas devastated by Hurricanes Katrina and Rita, as well as new funding for additional recovery priorities.

(2) Additional oversight and investigation is needed to ensure that recovery efforts are on track, develop legislation to reform the contracting process, and better prepare for future disasters. Those efforts should be made in close consultation with residents of affected areas. For example, the budget resolution provides additional 2007 funding for the Federal Emergency Management Agency, some of which may be used for this purpose.

SEC. 505. SENSE OF CONGRESS REGARDING LONG-TERM SUSTAINABILITY OF ENTITLEMENTS.

(a) FINDINGS.—Congress finds the following:

(1) The aging of the United States population is going to put unprecedented pressure on the Nation's retirement and health care systems.

(2) The long-term strength of Social Security would be improved through a fiscally responsible policy of reducing the deficit and paying down the debt that has accumulated since 2001, thus reducing debt service payments and freeing up billions of dollars that can be dedicated to meeting social security's obligations.

(3) A policy of reducing and eventually eliminating the deficit and paying down the debt is a key factor in improving the long-term strength of the economy as a whole, because a lower debt burden frees up resources for productive investments that will result in higher economic growth, provide a higher standard of living for future generations, and enhance the Nation's ability to meet its commitments to its senior citizens.

(4) The most significant factor affecting the Nation's entitlement programs is the rapid increase in health care costs. The projected increasing costs of Medicare and Medicaid are not unique to these programs but rather are part of a pattern of rising costs for the health sector as a whole.

(b) SENSE OF CONGRESS.—It is the sense of Congress that the growing cost of entitlements should be addressed in a way that is fiscally responsible and promotes economic growth, that addresses the causes of cost growth in the broader health care system, and that protects beneficiaries without leaving a legacy of debt to future generations.

SEC. 506. SENSE OF CONGRESS REGARDING THE NEED TO MAINTAIN AND BUILD UPON EFFORTS TO FIGHT HUNGER.

(a) FINDINGS.—Congress finds the following:

(1) More than 35 million individuals (12.4 million of them children) are food insecure, uncertain of having, or unable to

acquire enough food. 10.8 million Americans are hungry because of lack of food.

(2) *Despite the critical contributions of the Department of Agriculture nutrition programs and particularly the food stamp program that significantly reduced payment error rates while increasing enrollment to partially mitigate the impact of recent increases in the poverty rate, significant need remains.*

(3) *Nearly 25 million people, including nine million children and three million seniors, sought emergency food assistance from food pantries, soup kitchens, shelters, and local charities last year.*

(b) *SENSE OF CONGRESS.—It is the sense of Congress that the Department of Agriculture programs that help fight hunger should be maintained and that Congress should seize opportunities to enhance those programs to reach people in need and to fight hunger.*

SEC. 507. SENSE OF CONGRESS REGARDING AFFORDABLE HEALTH COVERAGE.

(a) *FINDINGS.—Congress finds the following:*

(1) *More than 46 million Americans, including nine million children, lack health insurance. People without health insurance are more likely to experience problems getting medical care and to be hospitalized for avoidable health problems.*

(2) *Most Americans receive health coverage through their employers. A major issue facing all employers is the rising cost of health insurance. Small businesses, which have generated most of the new jobs annually over the last decade, have an especially difficult time affording health coverage, due to higher administrative costs and fewer people over whom to spread the risk of catastrophic costs. Because it is especially costly for small businesses to provide health coverage, their employees make up a large proportion of the nation's uninsured individuals.*

(b) *SENSE OF CONGRESS.—It is the sense of Congress that legislation consistent with the pay-as-you-go principle should be adopted that makes health insurance more affordable and accessible, with attention to the special needs of small businesses, and that lowers costs and improves the quality of health care by encouraging integration of health information technology tools into the practice of medicine, and promoting improvements in disease management and disease prevention.*

SEC. 508. SENSE OF CONGRESS REGARDING EXTENSION OF THE STATUTORY PAY-AS-YOU-GO RULE.

It is the sense of Congress that in order to reduce the deficit Congress should extend PAYGO consistent with provisions of the Budget Enforcement Act of 1990.

SEC. 509. SENSE OF CONGRESS ON LONG-TERM BUDGETING.

It is the sense of Congress that the determination of the congressional budget for the United States Government and the President's budget request should include consideration of the Financial Report of the United States Government, especially its information regarding the Government's net operating cost, financial position, and long-term liabilities.

SEC. 510. SENSE OF CONGRESS REGARDING PAY PARITY.

It is the sense of Congress that rates of compensation for civilian employees of the United States should be adjusted at the same time, and in the same proportion, as are rates of compensation for members of the uniformed services.

SEC. 511. SENSE OF CONGRESS REGARDING WASTE, FRAUD, AND ABUSE.

It is the sense of Congress that all committees should examine programs within their jurisdiction to identify wasteful and fraudulent spending. To this end, section 207 of this resolution includes cap adjustments to provide appropriations for 3 programs that accounted for a significant share of improper payments reported by Federal agencies in 2006: Social Security Administration Continuing Disability Reviews, the Medicare/Medicaid Health Care Fraud and Abuse Control Program, and Unemployment Insurance. Section 207 also includes a cap adjustment for the Internal Revenue Service for tax compliance efforts to close the tax gap. In addition, the resolution's deficit-neutral reserve funds require authorizing committees to cut lower-priority and wasteful spending to accommodate higher-priority programs. Finally, section 207 of the resolution directs all committees to review the performance of programs within their jurisdiction and report recommendations annually to the Committees on the Budget as part of the views and estimates process required by section 301(d) of the Congressional Budget Act of 1974.

SEC. 512. SENSE OF CONGRESS REGARDING THE IMPORTANCE OF CHILD SUPPORT ENFORCEMENT.

It is the sense of Congress that—

(1) additional legislative action is needed to ensure that States have the necessary resources to collect all child support that is owed to families and to allow them to pass 100 percent of support on to families without financial penalty; and

(2) when 100 percent of child support payments are passed to the child, rather than administrative expenses, program integrity is improved and child support participation increases.

SEC. 513. SENSE OF THE HOUSE ON STATE VETERANS CEMETERIES.

It is the sense of the House that the Federal Government should pay the plot allowance for the interment in a State veterans cemetery of any spouse or eligible child of a veteran, consistent with the pay-as-you-go principle.

SEC. 514. SENSE OF CONGRESS ON THE STATE CRIMINAL ALIEN ASSISTANCE PROGRAM.

(a) FINDINGS.—Congress makes the following findings:

(1) Control of illegal immigration is a Federal responsibility.

(2) The State Criminal Alien Assistance Program (referred to in this section as “SCAAP”) carried out pursuant to section 241(i) of the Immigration and Nationality Act (8 U.S.C. 1231(i)) provides critical funding to States and localities for reimbursement of costs incurred as a result of housing undocumented criminal aliens.

(3) Congress appropriated \$300,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2004.

(4) Congress appropriated \$305,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2005.

(5) Congress appropriated \$405,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2006.

(6) Congress appropriated \$399,000,000 for SCAAP to reimburse State and local governments for those costs in fiscal year 2007.

(7) Congress has authorized to be appropriated \$950,000,000 to carry out SCAAP for each of the fiscal years 2008 through 2011.

(b) *SENSE OF CONGRESS.*—It is the sense of Congress that SCAAP funding for fiscal year 2008 should be consistent with the goal of achieving the program's fully authorized level.

TITLE VI—RECONCILIATION

SEC. 601. RECONCILIATION IN THE HOUSE.

Not later than September 10, 2007, the House Committee on Education and Labor shall report to the House of Representatives changes in laws to reduce the deficit by \$750,000,000 for the period of fiscal years 2007 through 2012.

SEC. 602. DEFICIT REDUCTION RECONCILIATION INSTRUCTION IN THE SENATE.

Not later than September 10, 2007, the Senate Committee on Health, Education, Labor, and Pensions shall report changes in laws within its jurisdiction to reduce the deficit by \$750,000,000 for the period of fiscal years 2007 through 2012.

And the House agree to the same.